

**Section-by-Section Summary of the *Supporting American Printed Circuit Boards Act***  
Reps. Anna G. Eshoo and Blake Moore

**Section 1. Short Title**

**Sec. 2. Tax Credit for Purchase or Acquisition of PCBs Manufactured in the United States**

- (a) Amends subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 by inserting a new section that provides a 25% tax credit for the purchase or acquisition of PCBs manufactured in the U.S.

**Sec. 3. Incentives for PCB Manufacturing and Research and Development<sup>1</sup>**

- (a) Definitions [Only select definitions are excerpted here.]

- Circuit board—A piece of insulating material on which electrical components are mounted and interconnected by etched copper foil so patterned as to form a circuit.<sup>2</sup>
- Covered entity—A private entity, a consortium of private entities, or a consortium of public and private entities with the ability to substantially finance, construct, expand, or modernize a facility relating to manufacturing or R&D of PCBs.
- Covered incentive
  - (A) An incentive used for the purposes of constructing, expanding, or modernizing a facility that will be located in the U.S.; and
  - (B) A workforce-related incentive, any concession with respect to real property, funding for R&D with respect to PCBs, and any other incentive determined by the Secretary, in consultation with the Secretary of State, to be appropriate and related to encouraging investment in facilities and equipment in the U.S. for manufacturing or R&D of PCBs.
- Foreign entity of concern— Has the meaning given such term in section 9901 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 15 U.S.C. 4651).
- Integrated circuit substrate—The supporting material upon or within which an integrated circuit is fabricated or to which an integrated circuit is attached.

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<sup>1</sup> Modeled on section 4 of the CHIPS for America Act, as passed in section 9902 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021.

<sup>2</sup> Based on a commonly used definition published by IEEE.

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- Printed circuit board (PCB)—A circuit board on which a pattern of copper foil connecting the components has been etched or printed, including boards with printed circuits on both sides and boards with printed circuits on one side only, for the mounting of components on which most connections are made by printed circuitry.<sup>3</sup>
- Secretary—The Secretary of Commerce.

(b) Financial Assistance Program

(1) Requires the Secretary to establish a program (the “Program”) providing federal financial assistance to covered entities to incentivize investment in facilities and equipment in the U.S. for manufacturing or R&D of PCBs.

(2) Procedure

(A) Requires a covered entity to apply for funding to the Secretary.

(B) In order to be eligible for funding, requires a covered entity to demonstrate a documented interest in carrying out a covered incentive project; it has a plan the Secretary determines to be executable to sustain the covered incentive without additional federal assistance, made commitments to worker and community investment, and secured commitments from regional educational and training entities.

(C) Excludes small businesses from having an executable plan to sustain the covered incentive without additional federal assistance, making commitments to worker and community investment, and securing commitments from regional and educational training entities.

(D) Requires the Secretary to confirm that the covered entity has satisfied the applicable eligibility criteria under subparagraph (B).

(E) Requires the Secretary to consider whether the covered entity has previously received financial assistance under the Program (small businesses excluded) and has demonstrated that it is responsive to certain national security needs.

(F) Preferences—Requires the Secretary to preference applications that:

- Are from small businesses, minority-owned businesses, women-owned businesses, or veteran-owned businesses;
- Expand U.S. production capacity of integrated circuit substrates;
- Relocate facilities from certain countries to the U.S.; or
- Include workforce training programs.

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<sup>3</sup> Based on a commonly used definition published by IEEE.

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(G) Prohibits the Secretary from approving applications from foreign entities of concern or providing Program funding to foreign entities of concern.

(H) Authorizes the Secretary to request records and other information from covered entities necessary to ascertain whether funding will be used for the purposes stated in the application and makes covered entities that fail to provide such records or information ineligible for funding.

(3) Amount

(A) Requires the Secretary to determine the appropriate funding amounts and types for each financial award.

(B) Requires a Presidential determination for single financial awards over \$150 million that a larger investment is necessary to significantly aid the PCB supply chain and meet national security needs.

(4) Use of Funds

(A) Award recipients may only use federal funds for a covered incentive and to pay reasonable costs related to the operating expenses for such covered incentive, including costs relating to the specialized workforce, essential materials, and complex equipment maintenance.

(B) Restricts an award recipient's use of award funds over \$150 million to only be used for the purposes described in subparagraph (A) to the extent that such use meets the national security needs or enhances the economic competitiveness of the U.S.

(5) Clawbacks

(A) Requires the Secretary to set project commencement and completion target dates by the time the award is made and progressively recover up to the full amount of the award if those targets are not met. The Secretary may waive elements of the clawback provisions based on certain determinations and following a notification to Congress.

(B) Authorizes the Secretary to recover up to the full amount of the award if the award recipient knowingly engages in joint research or a licensing effort with a foreign entity of concern that raises national security concerns.

(c) Requires the Secretary to coordinate with various relevant agencies in carrying out the Program.

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- (d) Requires biennial GAO studies over 10 years to track the Program's activities and outcomes.
  
- (e) Authorizes appropriations of \$3 billion to carry out the Program.